

PROPOSED REFORMS TO THE NATIONAL PLANNING POLICY FRAMEWORK (NPPF) AND OTHER CHANGES TO THE PLANNING SYSTEM – DECEMBER 2025

CONSULTATION RESPONSE

Response from: BusinessLDN, One Oliver's Yard, 55-71 City Road, London EC1Y 1HQ

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INTRODUCTION

1. BusinessLDN is a business membership organisation with the mission to make London the best city in the world to do business, working with and for the whole UK. BusinessLDN works with the support of the capital's major businesses in key sectors such as housing, commercial property, finance, transport, infrastructure, professional services, ICT, and education. We welcome the opportunity to respond to the consultation on proposed reforms to the National Planning Policy Framework (NPPF) and other changes to the planning system. We have responded to all questions relevant to our interests.

OVERVIEW

2. The format and structure of the draft new NPPF is welcomed. The clearer distinction between plan-making requirements and national decision-making policies, the inclusion of numbered policies, and the rules-based approach to drafting are all significant improvements. Our representations largely concern matters of detail and implementation.

Plan-making policies

3. The new development plan system is supported, including the role, purpose, and content of both spatial development strategies and local plans. We welcome the renewed focus on spatial development strategies that take a more strategic approach to investment and planning for growth at the regional level. It is critical to the success of the new development plan system that national decision-making policies are not replicated in either spatial development

strategies or local plans. Avoiding unnecessary duplication ensures a clear policy hierarchy, with spatial development strategies focused on strategic matters and local plans covering bespoke local issues.

4. We particularly welcome the approach taken in policy PM13 that development plan policies should not duplicate matters already addressed by Building Regulations, as this provides clarity and consistency for developers, and supports a proportionate and efficient planning system. However, a clearer explanation should be provided on the two exemptions listed in PM13 – due to accessibility standards and water efficiency being “opt-in” Building Regulations – to manage expectations about any further requests for exemptions or authorities trying to put forward a case for bespoke policies in their development plans. The wording in the accompanying consultation document is reassuring on this, but the new NPPF will need to be clearer as a standalone document.
5. Although the commitments in PM13 are otherwise worded strongly, there remain areas identified throughout our consultation response where the draft new NPPF is straying into detailed, technical Building Regulations territory, such as the new requirement for swift bricks in policy N2 or the scope of P3. This should be addressed in the final version to ensure consistency and avoid mixed messages.

Decision-making policies

6. The emphasis throughout Chapter 2 on viability testing as part of the plan-making process, in tandem with the circumstances set out in DM5(2) where a scheme-specific viability assessment would be justified, provides welcome clarity to LPAs and applicants alike. It allows development plans to set aspirational targets whilst ensuring that the system can be more flexible and pragmatic when circumstances change, such as the challenges facing housebuilding currently in London, or where an individual site faces significant abnormal costs.
7. The new requirement in DM6 to use national model conditions, unless there are strong reasons to deviate, is supported. In a similar way, DM6 should be used to endorse the standard S106 template that is being developed for medium-sized schemes when it becomes available.

Delivering a sufficient supply of homes

8. We support the plan-making requirements for both local plans and spatial development strategies in relation to large-scale residential and mixed-use development. However, we welcome the opportunity to engage on the updated version of HO4 when further information is available on new towns.
9. policy HO5 carries forward the requirement from paragraph 64 of the current NPPF for LPAs to plan for the minimum proportion of Social Rent homes required to meet local housing need. We support the continuation of this approach, whereby the minimum proportion of Social Rent homes is determined at the local level in development plans in response to local

circumstances. We do not believe that the NPPF should specify a minimum proportion of social rent.

Building a strong, effective economy

10. We support the increased emphasis on sustainable economic growth across the country as an overarching objective of the new NPPF, together with the emphasis on flexibility in the delivery of commercial spaces. We further welcome the emphasis in policy E2 on the substantial weight to be given to the economic benefits of proposals for commercial development. Recognising the value of schemes that allow businesses to invest, expand, and adapt is critical to supporting economic growth and ensuring London and the rest of the country remain competitive and resilient.
11. However, we are concerned that some wording from the current NPPF paragraph 86(e) has been lost, particularly regarding the need for development plan policies to be able to respond rapidly to changes in economic circumstances. It should also be explicitly stated in E1(2) that flexibility should be extended to the planning policy requirements placed on commercial developments, and not solely to the uses deemed acceptable.

Protecting Green Belt land

12. Compared with the current NPPF, we welcome the improved wording in policy GB3 and the new provision in GB3(1a) to review and alter existing Green Belt boundaries through local plan updates to support development around stations. Furthermore, we welcome the clarity and proportionality provided by the revised wording in policies GB6 and GB7 for assessing the appropriateness of development on Green Belt land.
13. Specifically on the issue of viability testing at the plan-making stage for greenfield and Green Belt land, we do not consider a standardised Benchmark Land Values (BLVs) approach of 10 times Existing Use Value for greenfield or Green Belt land to be appropriate. The introduction of any national standardised approach to BLVs would be overly prescriptive and risks distorting viability assessments, making deliverable schemes appear unviable or encouraging unrealistic expectations for affordable housing contributions.

Achieving well-designed places

14. The general approach and key principles for well-designed places set out in DP3 are supported. However, we have some concerns regarding the practical application of the policy in the determination of planning decisions. Wording should be tightened to clarify that a development proposal can only be refused based on DP3 and design policies contained in the relevant development plan (DP3(2)). The wording should also make clear that the detailed content within the expansive Design and Placemaking planning practice guidance (PPG) is intended to serve as informative guidance to support applicants and their professional advisers during the design process, rather than to justify a reason for refusal.

15. This is especially pertinent given that parts of the guidance are more applicable to lower-density development outside London than to the high-density typologies more commonly delivered in the capital and other major cities. DP3(3) could address this head-on by making it clear that the exceptional circumstances surrounding the design and viability of high-density urban schemes mean some flexibility will be required in the application of the Design and Placemaking PPG.

Conserving and enhancing the historic environment

16. The draft new NPPF's approach to the historic environment is supported, particularly the additional and revised wording that introduces a more positive tone towards heritage-related development and improves alignment with other parts of the Framework. Overall, the draft NPPF strikes an appropriate balance, adopting a more positive, pro-development approach without undermining the proportionate protection of designated heritage assets.

17. We particularly welcome the specific references to securing the long-term re-use of a vacant or underused listed building and enabling energy efficiency/low-carbon heating measures as "important public benefits" in weighing any harm to significance against public benefits.

Annex B: Standardised inputs in viability assessment

17. Finally, we object to the proposal to attach an additional new annex to the new NPPF on standardised inputs to viability assessment, currently presented as Annex B of the accompanying consultation document.
18. We address the relevant consultation questions in respect of Annex B; however, as a matter of principle, the content of Annex B is excessively detailed for a document of the NPPF's scope. It would be better addressed through the Planning Practice Guidance on viability, where it can also be more easily updated if required.

RESPONSES TO RELEVANT CONSULTATION QUESTIONS

Consultation introduction

Q.1: Do you have any views on how statutory National Development Management Policies could be introduced in the most effective manner, should a future decision be made to progress these?

19. BusinessLDN has been a long-term supporter of National Development Management Policies (NDMPs) having statutory status and forming part of the development plan for any given area in England. We were therefore concerned when the announcement was made to bring them forward on a non-statutory basis. However, the wording and policy structure of the draft NPPF,

coupled with the explanation on pages 10–11 of the consultation document, provide some reassurance. Only time will tell whether the new plan-led system, as currently proposed, will have a genuine impact on decision-making and, in reality, reduce the repetition of policy at a strategic and local level. We strongly support the commitment on page 11 of the consultation document to keep this decision under review, and we urge MHCLG to honour this commitment.

Q.2: Do you agree with the new format and structure of the draft Framework which comprises separate plan-making policies and national decision-making policies?

20. Strongly agree: The new format and structure provide a much clearer distinction between the parts of the NPPF that are plan-making requirements and those parts that should be considered when assessing and determining applications. The inclusion of numbered policies, similar to those in a development plan, also lends greater clarity and prominence compared with the numbered paragraphs in previous versions of the NPPF. It is now easier to navigate the document and find relevant policies, and decision-makers will be able to quote policy references when justifying their decision to approve or refuse. The style of drafting, placing greater emphasis on a rules-based approach, is also strongly welcomed.

Q.3: Do you agree with the proposed set of annexes to be incorporated into the draft Framework?

21. Partly agree: We have no objection to the principle of attaching the six annexes currently presented as part of the draft new NPPF, including updates to the two existing NPPF annexes and four new annexes in respect of information requirements, housing calculations and supply, Green Belt assessments, and managing flood risk and coastal change. However, we object to the proposal to attach an additional new annex to the new NPPF on standardised inputs to viability assessment, currently presented as Annex B of the accompanying consultation document.

22. We address the relevant consultation questions in respect of Annex B later in this response document; however, as a matter of principle, the content of Annex B is excessively detailed for a document of the NPPF's scope. It would be better addressed through the Planning Practice Guidance on viability, where it can also be more easily updated if required.

Chapter 1: Introduction

Q.5: Do you agree with the proposed approach to simplifying the terminology in the Framework where weight is intended to be applied?

23. Strongly agree: The clarity and consistency of language is greatly improved compared with that of the current NPPF.

Chapter 2: Plan-making policies

Q.6: *Do you agree with the role, purpose and content of spatial development strategies set out in policy PM1?*

24. Strongly agree: BusinessLDN supports the role and purpose of spatial development strategies set out in policy PM1, provided that their content is “*genuinely strategic in nature*” as per PM1(1). They should focus on long-term vision, priorities, and growth requirements, with detailed policy matters addressed through local plans. This clarity in national policy is welcomed, given that successive iterations of the London Plan have become broader and more detailed in scope, to the extent that it now effectively functions as a local plan for Greater London.

25. We welcome the renewed focus on a spatial development strategy that takes a more strategic approach to investment and planning for growth at the regional level. These are essential to provide long-term certainty and confidence to the market, helping to encourage inward investment and sustained economic growth. Furthermore, we support a minimum 20-year plan period, consistent with the London Plan, and agree that strategies should clearly apportion objectively assessed housing and employment needs to local planning authorities to support effective delivery.

Q.7: *Do you agree that alterations should be made to spatial development strategies at least every 5 years to reflect any changes to housing requirements for the local planning authorities in the strategy area?*

26. Strongly agree: We support the current wording in PM1(3) for a “*limited*” review and alteration at least every five years to ensure that spatial development strategies remain up to date and reflect changing housing requirements and market conditions. A full review within this timeframe should not be necessary or required by policy. This approach will help maintain confidence in the plan, support effective delivery over the longer term, and ensure housing requirements remain realistic and responsive over time.

27. It would be helpful if PM1(3) also explicitly referenced that other circumstances may arise where an unexpected contextual change necessitates a partial review of a spatial development strategy, as this may not always be a matter related to housing requirements. We suggest the following additional wording in red:

“PM1: Spatial development strategies....

3. *Alterations to spatial development strategies should be made at least every 5 years to reflect any changes to housing requirements for the local planning authorities in the strategy area. It may **also be necessary to make other partial alterations to reflect a change in circumstances. Any such alterations must be limited in nature and not fundamentally change the overall spatial strategy.***

Q.8: *If spatial development strategies are not altered every five years, should related policy on the requirements used in five year housing land supply and housing delivery test policies, set out in Annex D of the draft Framework, be updated to allow housing requirement figures from spatial development strategies to continue to be applied after 5 years, so long as there has not been a significant change in that area's local housing need?*

28. Partly agree: The new NPPF should provide some flexibility to account for circumstances where a limited review and alteration is not undertaken. In these cases, housing requirement figures from the adopted strategy should continue to be applied beyond the five-year period; however, there should be a requirement for the strategic authority to demonstrate that there has not been a material change in housing need or market conditions.

Q.9: *Do you agree with the role, purpose and content of local plans set out in policy PM2?*

29. Strongly agree.

30. Specifically on the minimum timeframe for a local plan at PM2(1b), 15 years should be an absolute minimum, and this should not be reduced to 10 years under any circumstances. A local plan needs to provide long-term certainty and confidence to the market to encourage inward investment and sustain economic growth.

Q.11: *Do you agree with the principles set out in policy PM6(1c), including its provisions for preventing duplication of national decision-making policies?*

31. Strongly agree: It is critical to the success of the new development plan system that national decision-making policies are not replicated in either spatial development strategies or local plans. Avoiding unnecessary duplication ensures a clear policy hierarchy, with spatial development strategies focused on strategic matters and local plans covering bespoke local issues.
32. In light of the debate preceding this consultation regarding the statutory or non-statutory status of NDMPs, and given the importance of policy PM6 both in this context and to the effective operation of the new planning system, consideration should be given to replacing “should” with “must” in PM6(1), as follows:

33. **“PM6: General principles for plan-making**

1. All plan-makers **must**, in preparing plans...”

Q.16: Do you agree that policy PM12 increases certainty at plan-making stage regarding the contributions expected from development proposals?

34. Partially agree: The additional detail and clarity provided in PM12, compared with paragraph 35 of the current NPPF, is welcomed and supported in respect of the preparation of a local plan; however, PM12, as currently worded, cannot be readily applied to spatial development strategies. This requires further consideration and clarification.
35. The process required by PM12 when bringing forward local plans will help to create greater certainty in land transactions and planning decisions regarding a local planning authority’s (LPA’s) expectations for development contributions. However, it is important that these policies are not overly rigid or controlling, particularly around the type and mix of affordable housing, and that contributions are set at a realistic level that allows schemes to come forward. In the current market, uncertainty around viability assessments, review mechanisms, and clawback provisions remains one of the biggest barriers to investment and development, particularly in London.
36. In relation to PM12(2c), it is neither reasonable nor practicable to test all development typologies that may come forward across an authority area at the plan-making stage. As a result, scheme-specific viability testing may be required where alternative typologies are subsequently brought forward through the planning process This is acknowledged in proposed policy DM5(2) in respect of determining development proposals, but it should also be addressed in respect of preparing plans through the following amendment to PM12(2):

“PM12: Developer contributions...

2. *These policy requirements may apply to different areas covered by the plan. This includes:*
 - a. *Plan-wide policies;*
 - b. *Policies for strategic sites which are critical to the delivery of the plan;*
and
 - c. *Policies for different types or location of site or types of development as far as is reasonably practicable to do so at plan-making stage.”*

Q.17: *Do you agree that plans should set out the circumstances in which review mechanisms will be used, or should national policy set clearer expectations?*

37. Partly agree: The proposal at PM12(4) for plans to set out the circumstances in which review mechanisms will be used is strongly supported. This is because the use of review mechanisms across the country varies significantly. They are already widely used in London and the South East, but this is not the case elsewhere, where there is currently no policy requirement at the local level.
38. Notwithstanding this position, improvements could be made to PM12(4) to improve its effectiveness and provide greater clarity at a national level, whilst retaining discretion for authorities drawing up plans. Firstly, there should be a national position in the NPPF that review mechanisms should not be required for medium-sized schemes of 10 to 49 homes. This is because a standardised Section 106 (S106) template is being progressed for medium-sized schemes, and it would also align with the Government's objective to provide increased support for SME developers. In any event, these projects will likely be delivered in a single phase and over a shorter timeframe than major schemes, and therefore, a review mechanism is not considered reasonable or necessary.
39. Secondly, there should be an acknowledgement in PM12(4) that some flexibility is required in the use of review mechanisms. An overly rigid approach can be a barrier to investment and render a scheme undeliverable. It is on large, multi-phase projects where a review mechanism is most likely needed, and it is these projects that often necessitate a more flexible, bespoke approach in terms of the format of any review and also its timing. This is because these projects are inherently complex. On such schemes, a standardised process, including the use of a fixed standard review formula, should not be insisted upon, and there should be scope to agree a bespoke approach as part of the S106 negotiations.
40. For these reasons, we propose the following amendments to PM12(4):

“PM12: Developer contributions

4. *Plans should set out the circumstances in which review mechanisms will be used for **major** development proposals where contributions are proposed to be reduced below the requirements set out in plan policies and indeed where reviews could be removed where delivery is secured in a pre-agreed time frame. Plans should clearly set out the processes and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development to maximise policy compliance, **whilst acknowledging that a bespoke approach may be needed for large, multi-phased developments.**”*

Q.18: Do you agree with policy PM13 on setting local standards, including the proposal to commence s.43 of the Deregulation Act 2015?

41. Strongly agree: BusinessLDN welcomes the approach taken in policy PM13, particularly the requirement at PM13(b) that local standards should not duplicate matters already addressed by Building Regulations, as this provides clarity and consistency for developers and supports a proportionate and efficient planning system.
42. However, to a lay person unfamiliar with the Building Regulations regime, the two exclusions listed at PM13(b), namely accessibility standards and water efficiency, risk undermining the clarity that the policy seeks to achieve. It is our understanding that these two issues have been singled out because they are “opt-in” Building Regulations, whereby LPAs have discretion over the degree to which they should be applied in their local area. If this is the case, then it should be explicitly explained in PM13(b) to avoid confusion amongst local communities and others who are not experts in this field, and to provide reassurance for applicants that there will not be further exclusions added to PM13(b) in the future.
43. Although the commitments in PM13 are otherwise worded strongly, there remain areas identified throughout our consultation response where the draft new NPPF is straying into detailed, technical Building Regulations territory, such as the new requirement for swift bricks in policy N2 or the scope of P3. This needs to be addressed in the final version to ensure consistency and avoid mixed messages.

Q.19: Do you agree that the tests of soundness set out in policies PM14 and PM15 will allow for a proportionate assessment of spatial development strategies, local plans and minerals and waste plans at examination?

44. We strongly agree in respect of the tests of soundness for spatial development strategies in PM14 and those for local plans in PM15. We do not have the requisite experience in examining minerals and waste plans to comment on the tests of soundness for those.
45. Specifically, in relation to the second test for spatial development strategies at PM14(2b), renaming this test as “appropriate” and expanding its definition provides welcome clarification on expectations for the examination process, including consideration of relevant national and local strategies. At PM14(2c), further consideration should be given as to how to test the deliverability of a spatial development strategy.

Chapter 3: Decision-making policies

Q.22: *Do you agree with the policy DM2 on information requirements for planning applications?*

46. Strongly agree: We support Policy DM2, which seeks to provide clarity on information requirements for planning applications. We welcome its intention to ensure that any additional requirements remain “proportionate to the scale of development”, so that smaller schemes are not subject to unnecessary burdens and the overall objective of streamlining the planning process is maintained.

Q.24: *Do you agree with the principles set out in DM3?*

47. Partly agree: DM3 would benefit from additional clarity on the role of community consultation. In particular, the policy should make clear that the weight of representations is determined by the material planning considerations they raise, not by the number of objections received.

48. To address this, a new sub-paragraph (g) could be added: “When considering representations received in response to consultation, decision-makers should have regard to the material planning considerations raised. The number of representations received, whether in support or objection, should not in itself be determinative.” This would reinforce a plan-led, evidence-based approach and ensure alignment with national policy and the new National Scheme of Delegation.

Q.25: *Do you agree that policy DM5 would prevent unnecessary negotiation of developer contributions, whilst also providing sufficient flexibility for development to proceed?*

49. Strongly agree: The introduction of additional detail and clarity in DM5, compared with the current NPPF paragraph 59, is welcomed. The emphasis throughout Chapter 2 on viability testing as part of the plan-making process, in tandem with the circumstances set out in DM5(2) where a scheme-specific viability assessment would be justified, provides welcome clarity to LPAs and applicants alike. It allows development plans to set aspirational targets whilst retaining flexibility and pragmatism when circumstances change – whether due to current challenges facing housebuilding in London or significant abnormal costs on individual sites.

50. However, if the requirement for scheme-specific viability assessments is reduced, it will be critical that viability testing at the Local Plan stage (policy PM12) is robust. This may require more detailed assessment at the plan-making stage, alongside additional resource and support for inspectors at examination, and ensuring that policy targets reflect the evidence of viability studies rather than local political objectives.

Q.27: *Do you have any views on how the process of modifying planning obligations under S106A, where needed once a section 106 agreement has been entered into, could be improved?*

51. Firstly, the minimum time before a Section 106A (S106A) application can be submitted should be reduced from five years to three years. The five-year period is unduly onerous and impractical. Hopefully, this could be addressed without the need for primary legislation.
52. Secondly, provision should be made to allow more than one modification on large, multi-phase schemes.
53. Thirdly, something that could have a substantial benefit for the effectiveness of existing S106A, and could be addressed through guidance in the PPG, is clarification on assessing an application against the legal test of whether a planning obligation “*no longer serves a useful purpose*” (S106A(b)). The test is ambiguous, so it can be difficult to build a robust case, and this creates risk for any developer considering this route. If a developer is not prepared to take on that risk, the scheme may never be delivered. It could be explicitly stated in the PPG that planning obligations which render a scheme financially unviable do not serve a “*useful purpose*” in accordance with S106A(b).
54. Fourth, PPG guidance on this matter should clarify that a parallel Section 73 (S73) application will not be required in all circumstances. In some cases, depending on whether the permission is outline or full, the level of detail contained in the description of development on the permission, and the level of detail provided on the approved drawings, it may be appropriate to agree a S106 deed of variation via S106A without the need to submit a S73 application.
55. Finally, where a S106A modification cannot be agreed with the LPA, and a Section 106B appeal is submitted, the process should be amended so that the appointed Inspector can issue a split decision. Currently, the proposed package of amendments has to be accepted by the Inspector in its entirety, or the appeal is dismissed, thereby increasing risk and deterring applicants from following this route. A more pragmatic approach would allow the Inspector greater flexibility in their final decision, with the possibility of issuing a part approval and part refusal.

Q.29: *Do you agree with the approach for planning conditions and obligations set out in policy DM6, especially the use of model conditions and obligations?*

56. Strongly agree: The clarity and language in DM6 are improved compared with the current NPPF.

57. The new requirement at DM6(3) to use national model conditions, unless there are strong reasons to deviate, is supported. Similarly, DM6 provides the opportunity to endorse the standard S106 template that is being developed for medium-sized schemes. When the final version of the new NPPF is published, it should strongly encourage LPAs to utilise the S106 template in a similar manner to the approach set out in DM6(3) regarding model conditions.

58. Consideration should be given to including a first draft S106 agreement in the list of information required to validate a medium or major planning application. Requiring a first draft at the submission stage would help to front-load negotiations, clarify key obligations early, and reduce delays at the determination stage, improving certainty and speed for both applicants and local authorities.

Q.30: Do you agree that policy DM7 clarifies the relationship between planning decisions and other regulatory regimes?

59. Strongly agree: We welcome the approach taken in policy DM7, which will provide additional clarity and consistency for all those involved in the planning process, and support a proportionate and more efficient planning system.

Chapter 5: Meeting the challenge of climate change

Q.43: Do you agree with the approach to mitigating climate change through planning decisions in policy CC2?

60. Partly agree: BusinessLDN supports the overarching objective of mitigating climate change through planning decisions. However, we are cautious about the emphasis in CC2(1e) on connecting to district heat networks.

61. While district heat networks can be a positive low-carbon technology, they are not the only viable method of delivering low-carbon heating. A policy approach that appears to prioritise connection above other solutions risks limiting innovation and flexibility. In practice, many developments in London have incurred significant costs to future-proof schemes for connection to a district heat network that has ultimately not come forward.

62. Policy CC2 should therefore support a technology-neutral approach, enabling schemes to adopt the most appropriate and deliverable low-carbon heating solution for their context, rather than placing disproportionate weight on district heat network connection.

Chapter 6: Delivering a sufficient supply of homes

Q.55: Do you agree the plan-making requirements, for both local plans and spatial development strategies, in relation to large scale residential and mixed-use development are sufficiently clear?

63. Strongly agree: HO4 sets out clear expectations, and we have no further comments on the current drafting. However, we welcome the opportunity to engage on the updated version of HO4 when further information is available on new towns, as indicated in the consultation document.

Q.64: Do you agree flexibility relating to the size of market homes provided will better enable developments providing affordable housing?

64. Strongly agree: This new provision in the NPPF at HO8(3) ensures a more pragmatic approach, reflecting prevailing market conditions.

Q.65: Would requiring a minimum proportion of social rent, unless otherwise specified in development plans, support the delivery of greater number of social rent homes?

65. Strongly disagree: This is considered unnecessary in national policy. HO5(1ai) already carries forward the requirement from paragraph 64 of the current NPPF for LPAs to plan for the minimum proportion of Social Rent homes required to meet local housing need. We support the continuation of this approach, whereby the minimum proportion of Social Rent homes is determined at the local level in development plans in response to local circumstances.

Q.66: Are changes to planning policy needed to ensure that affordable temporary accommodation, such as stepping stone housing, is appropriately supported, including flexibilities around space standards?

66. Yes, striking the right balance is essential to support the delivery of temporary accommodation. While the Nationally Described Space Standards ensure permanent housing meets appropriate standards, flexibility should be allowed for temporary accommodation, including for families moving into longer-term temporary accommodation, care leavers establishing independent homes, and rough sleepers transitioning into stable accommodation. Flexibility on space standards would make schemes more viable and increase delivery without compromising safety or usability.

67. A clearer definition of stepping stone accommodation is needed to provide greater certainty for providers and local authorities as to what constitutes this specialist type of housing and how it should be delivered. In addition, explicit support for modern methods of construction, including volumetric and modular approaches, would help set a precedent for greater use of these methods of construction and enable quicker delivery of temporary housing where it is needed most.

Q.67: Do you agree that applicants should have discretion to deliver social and affordable housing requirements via cash payments in lieu of on-site delivery on medium sites?

If so, would it be desirable to limit the circumstances in which cash contributions in lieu of on-site delivery can be provided – for example, should it not be permitted on land released from the Green Belt where the Golden Rules apply? Please explain your answer.

68. Strongly agree: The support for SME housebuilders is welcome, and flexibility to provide payments in lieu of on-site affordable homes is increasingly necessary due to longstanding and well-evidenced challenges with Registered Provider (RP) uptake for S106 homes, which in many cases are delaying or halting the delivery of residential and mixed-use schemes altogether. Rigid on-site requirements risk stalling viable schemes at a time when accelerating housing delivery is critical.

69. A briefing note produced by BusinessLDN, DS2, and Ballymore has highlighted how RP capacity, funding constraints, and risk appetite are limiting their ability to acquire S106 homes. In these circumstances, payments in lieu can provide a more reliable and timely route to securing affordable housing contributions while allowing development to progress and increasing the overall delivery of new homes.

70. While on-site delivery should remain the default ambition, overly restrictive limits on the use of payments in lieu, such as blanket exclusions on land released from the Green Belt, would be counterproductive. Policy should allow flexibility based on site-specific viability and deliverability considerations, ensuring that affordable housing objectives are met without undermining the delivery of development itself.

71. For these reasons, the replacement of HO8(1) in the draft NPPF with the alternative HO8(1) set out in the accompanying consultation document is supported by BusinessLDN.

72. Finally, it is positive that the Golden Rules now allow for site-specific viability assessments in certain circumstances, where a site is on previously developed land, a scheme is “multi-phase” and “strategic,” or a “development model [which is] of a wholly different type to that assumed in the viability assessment that informed the development plan”. This ensures the flexibility to assess viability on a case-by-case basis, allowing the maximum reasonable amount of affordable housing to be delivered without unnecessarily constraining development. It

complements the use of payments in lieu, enabling schemes to progress where rigid on-site requirements might stall them.

Q.71: *Do you support proposals to enable off site delivery where affordable housing delivery can be optimised to produce better outcomes in terms of quality or quantity?*

73. Strongly agree: BusinessLDN fully supports the government's strategy in HO8. The policy imperative should be to optimise the quality and quantity of affordable homes being delivered for the community overall.

Q.74: *Do you agree with the criteria set out regarding the locations of purpose-built student accommodation and large-scale shared living accommodation, including changes to the glossary?*

74. Partly agree: The locational criteria set out in HO9 are generally positive, but we propose a few targeted alterations. The definition of "wheeling" should include cycling, as easy access via cycling is currently unaccounted for, which appears to be an oversight. In practice, ideal locations for purpose-built student accommodation (PBSA) and large-scale shared living (LSSL) often include sites that are less suitable for conventional housing, such as those adjacent to railway tracks, major roads, or smaller and awkward plots. While this may not need to be reflected in policy wording, it is a key practical consideration.

75. Regarding the glossary definition of LSSL in draft NPPF Annex B, the reference to three-month tenancies should not be absolute. We recommend that the definition be updated to read, "*Tenancies should typically be for a minimum of three months.*" This allows for flexibility, reflecting that operators may not achieve full occupancy for this duration. However, where approximately two-thirds of rooms meet the three-month minimum, the accommodation can clearly be distinguished as co-living rather than hotel use.

Q.80: *Do you agree the proposals in policy HO13 will help to ensure development proposals are built out in a reasonable period?*

76. Partly disagree: We support the overarching objective of ensuring planning permissions are implemented within a reasonable period, but there are complex reasons that may influence the speed of a build, as currently demonstrated by the housebuilding crisis in London. In particular, we strongly object to HO13(2) and the principle of encouraging LPAs to impose a planning condition requiring that development begins within a timescale shorter than the statutory default period of three years. In general terms, we do not consider the proposals in policy HO13 to be the right mechanism at this stage.

77. In our response to the Government's "Speeding Up Build Out" consultation, we highlighted that the current evidence base does not convincingly demonstrate that slow build-out rates are a

primary barrier to housing delivery and that the proposals risk misdiagnosing the issue and adding unnecessary complexity to the planning process. Robust data from the new reporting requirements introduced by the Levelling Up and Regeneration Act 2023 should first be gathered and analysed over a full development cycle before substantive interventions are introduced.

78. Build-out performance is shaped by wider systemic factors, including planning delays, viability challenges, regulatory bottlenecks, and infrastructure constraints that HO13 would fail to address. Introducing additional obligations or penalties linked to build-out risks undermining investor confidence and could inadvertently slow delivery, particularly on complex or phased schemes where external factors beyond the developer's control affect progress.
79. Government policy should instead focus on addressing the root causes of delivery delays through better resourcing of planning authorities, proportionate regulation, improved transparency, and collaboration between public and private stakeholders. These measures will create a more enabling environment for development to be brought forward at pace.

Q.81: *Do you agree the requirements to take a flexible approach to the consenting framework for large scale residential and mixed-use development is sufficient to ensure the opportunities of large scale development are supported?*

80. Agree: The new approach taken in HO13(3) is supported in terms of the principles identified – “*design, infrastructure and other site specific requirements*” – and the need for the permission to be flexible to respond positively to changing circumstances as phases are brought forward.

Q.82: *Are any more specific approaches or definitions needed to support the delivery of very large (super strategic) sites, including new towns?*

81. The consultation identifies the ambition to bring forward “super strategic” sites; however, this term would benefit from a clearer definition to provide clarity and certainty for developers, local authorities, and stakeholders. As highlighted in BusinessLDN's *The Case for a New Town in London* report, delivering very large sites requires careful consideration of long-term infrastructure requirements, phased development, and complex planning obligations. Guidance on sequencing and flexibility on S106 requirements is essential to ensure these schemes remain viable and can progress without being stalled by overly rigid requirements. Bespoke funding and delivery models, including public-private partnerships, may also be necessary to support implementation at scale. Finally, aligning delivery with strategic growth objectives and ensuring effective cross-boundary coordination will be critical to securing the wider benefits of super strategic developments for London and its communities.

Chapter 7: Building a strong, effective economy

Q.84: *Do you agree that more emphasis should be placed on relevant national strategies and the need for flexibility in planning for economic growth, as drafted in policy E1?*

82. Strongly agree: We support the increased emphasis on sustainable economic growth across the country as an overarching objective of the new NPPF. Specifically, we support the approach in policy E1(1) that development plans should translate the national Industrial Strategy, Industrial Strategy Zones, and AI Growth Zones into clear planning policies, as well as any strategic and local economic strategies, such as the London Growth Plan. In particular, E1(ci) and E1(cii), carried forward from the current NPPF, which reinforce the importance of high-tech facilities and storage and distribution facilities, are welcome, as they are key growth sectors and many businesses rely on these types of economic infrastructure.
83. We also support the emphasis at E1(2) on flexibility in the delivery of commercial spaces; however, we are concerned that some of the wording has been lost from the current NPPF paragraph 86(e), particularly regarding the need for development plan policies to be able to respond rapidly to changes in economic circumstances. It should also be explicitly stated in E1(2) that flexibility should be extended to the planning policy requirements placed on commercial developments, and not solely to the uses deemed acceptable.
84. For example, in London, the introduction of policy E3 in the current London Plan, requiring the provision of affordable workspace as part of commercial developments, has had unintended consequences and distorted the commercial property market at a time when there is in fact a growing quantum of ageing, low-quality office space in secondary locations that cannot meet modern environmental standards and is sitting vacant. The rigid application of borough-wide affordable workspace policies in London is having a negative impact on the commercial sector by impacting the viability of new commercial development and its ability to support economic growth in the capital.
85. For these two reasons, we recommend that E1(2) should be updated as follows in the published version of the new NPPF:

“E1: Providing the conditions for long term economic growth

2. *Given changing commercial property requirements, development plans should not be overly prescriptive about the types of uses that would be acceptable on particular sites (other than where there is a clear and justified rationale for being specific about acceptable uses at the plan-making stage) and be sufficiently flexible in policy requirements for commercial developments to enable a rapid response to changes in economic circumstances.”*

Q.85: Do you agree with the approach to meeting the need for business land and premises in policy E2?

86. Strongly agree: We welcome the emphasis in policy E2(1) on the substantial weight to be given to the economic benefits of proposals for commercial development. Recognising the value of schemes that allow businesses to invest, expand, and adapt is critical to supporting economic growth and ensuring London and the rest of the country remain competitive and resilient.
87. The new policy wording at E2(2) provides welcome clarification for proposals that need to demonstrate that an unmet need exists in the local economy. Conversely, a new E2(3) subsection should be inserted in the final version of this policy to address situations where low-quality commercial space no longer meets modern business or locational requirements and remains persistently vacant. In these circumstances, there should be explicit NPPF support to allow for the change of commercial property to alternative uses, including residential, where appropriate, and driven locally by development plans. This aligns with the findings in BusinessLDN's *From Vacancy to Vitality* report, which highlights emerging trends in the commercial property market and the circumstances in which property in London may need to be repositioned to respond to evolving demand and wider market conditions.

Q.86: Do you agree with the proposed new decision-making policy supporting freight and logistics development in policy E3?

88. Partly agree: We welcome new policy E3 and its specific focus on supporting freight and logistics. In particular, EC3(1a) and EC3(1c) are supported because they recognise the specific operational requirements of this sector.
89. Concerning EC3(1b), the reference to co-location is understandable, but take-up for co-located sites in London has been limited, reflecting constrained opportunities and the challenges of delivering co-location schemes. Similarly, the focus on reducing vehicle movements is reasonable, but these impacts could also be mitigated through the adoption of lower-carbon transport methods, such as electric vehicles and micromobility, rather than restricting operations from freight and logistics developments.
90. It should also be acknowledged that the relevance and effectiveness of such mitigations will vary depending on the site and local context. Local plans and decision-making should remain flexible and proportionate, balancing the need to address local impacts with the wider economic importance of freight and logistics operations.
91. We recommend replacing “sensitive building design and landscaping” with “considerate building design and landscaping”, which would maintain the intent of encouraging high-quality design while recognising that modern industrial and logistics operations often require large-scale buildings for operational efficiency and automation, and would reduce the risk of misinterpretation or challenge.

Chapter 9: Supporting high quality communications

Q.93: *Do you agree that the updated policies provide clearer and stronger support for the rollout of 5G and gigabit broadband?*

92. Partly disagree: Firstly, there appear to be inconsistencies between the policy references in Chapter 9 of the draft new NPPF and those in the accompanying consultation document. For the avoidance of doubt, we have assumed that CO1 of the draft NPPF is T11 in the consultation document (*Proposals for Telecommunications Infrastructure*) and CO2 in the draft NPPF is T12 in the consultation document (*Telecommunications Infrastructure – Supporting Information*).
93. In principle, we support the general approach to deal with considerations relevant to the delivery of telecommunications infrastructure through national decision-making policies to ensure a more consistent approach across the country. The points carried forward from Chapter 10 of the current NPPF are supported, and we welcome the amendments that have been made to provide further clarity to the wording of the new NPPF's expectations.
94. However, we consider that CO1/T11 should go further to maintain and raise the quality of existing telecommunications infrastructure. In particular, the current wording of draft CO1/T11 does not adequately address the consultation document's ambition that *"[t]he redrafted policy makes clear that existing sites should be considered before new infrastructure is proposed on undeveloped sites."*
95. In London, maintaining high-quality telecommunications infrastructure is being challenged by a rising number of "Notices to Quit" issued by landowners to infrastructure providers in accordance with the Electronic Communications Code (contained in Schedule 3A of the Communications Act 2003, as amended by the Digital Economy Act 2017) due to planned redevelopment proposals. This is causing a cumulative impact on congestion on the mobile phone network. Relocating a mast is a time-consuming and costly process and, in many cases, a suitable alternative location is not readily available. This creates a significant risk to the integrity and resilience of the UK's digital network.
96. Whilst this issue is currently most prevalent in London, there is a risk that it may become a growing issue in other parts of the country, and given the NPPF's stance to support this sector via national policy rather than at development plan level, the NPPF's wording needs to be tightened to give mobile providers greater support and ensure they can deliver on the Government's 10-Year Infrastructure Strategy.
97. This issue should be addressed by inserting a new paragraph 1(b) into draft policy CO1/T11 (highlighted in red):

"CO1: Proposals for telecommunications infrastructure

1. *Development proposals for the expansion or upgrading of electronic telecommunications networks, including (but not limited to) next generation wireless technologies (such as standalone 5G), gigabit-capable broadband connections and supporting infrastructure such as fibre exchanges, should:*
 - a. *Use existing masts, buildings and other structures already employed for this purpose, unless there is no reasonable opportunity to do so (taking into consideration meeting consumer needs, the efficient operation of the network and providing reasonable capacity for future expansion);*
 - b. *Where existing masts and structures are due to be lost as a result of redevelopment proposals, reasonable endeavours should be made to re-provide them in the new scheme design. Where this is not practicable or feasible, evidence should be provided as part of any application submission;*
 - c. *Be sited and designed...*

98. We also consider that the wording of the draft policy at paragraph 2 could be improved to provide decision-makers with greater clarity over the weight that should be attached to the economic and social benefits of telecommunications infrastructure in the planning balance of development management decisions. Suggested wording to address this is set out below:

“CO1: Proposals for telecommunications infrastructure

2. *In assessing proposals for telecommunications infrastructure, local planning authorities should give substantial weight to the economic and social benefits arising. They should not require minimum distances to be maintained between telecommunications infrastructure and other development, seek to prevent competition between different operators, question the need for the expansion or upgrading of telecommunications networks, or use health safeguarding standards different from the International Commission guidelines on non-ionising radiation protection.”*

Q.94: *Do you agree the requirements for minimising visual impact and reusing existing structures are practical for applicants and local planning authorities?*

99. Partly agree: For the reasons set out above in respect of Q.93, national policy is required to ensure that existing infrastructure does not continue to be lost at the current rate due to redevelopment proposals. Insertion of our proposed new paragraph 1(b) in draft policy CO1/TI1 would place greater responsibility on applicants and landowners to re-use or provide existing infrastructure.

Chapter 10: Securing Clean Energy and Water

Q.96: *Do you agree with the approach to planning for energy and water infrastructure in policy W1?*

100. Partly agree: Whilst policy W1 appropriately prioritises future energy and water network capacity, it fails to require proactive surface water flood prevention measures within new developments. In particular, it fails to address, at a national level, the need to:

- i. Improve drainage systems – by, for example, installing larger or smarter storm drains and separate surface water from sewage;
- ii. Use Sustainable Urban Drainage Systems (SuDS) – for example, permeable paving surfaces and green roofs (whilst this is covered in policy F8, a brief mention in Chapter 10 would be helpful);
- iii. Reduce impermeable surfaces – increase soft landscaping so that rainwater can soak into the ground;
- iv. Create water storage areas – retention ponds or underground tanks to slow runoff; and
- v. Plan with flood risk in mind – avoid building in high-risk zones and design sites to manage excess.

101. In London, as in other major UK cities, demand for water and wastewater treatment is placing immense pressure on an ageing network of pipe infrastructure, reservoirs, and treatment facilities.

102. The new NPPF can help address water demand by directing LPAs to facilitate and prioritise development that actively reduces water use, including through water-efficient fixtures, rainwater harvesting, greywater recycling, sustainable drainage, and low-irrigation landscaping.

103. This comment is also relevant to the draft new NPPF policies F8, in respect of SuDS, and PM13(bii), in respect of water efficiency.

104. With regard to energy, policy W1 rightly prioritises development that makes provision for new and upgraded infrastructure and takes steps to avoid constraining the operation or expansion of electricity networks. Consideration should be given to encouraging LPAs to prioritise developments that are able to maximise the uptake of flexibility mechanisms as a way of adjusting supply or demand quickly and efficiently in response to changes in the capacity of the electricity grid.

Chapter 12: Making effective use of land

Q.116: *Do you agree policy L2 provides clear guidance on how development proposals should be assessed to ensure efficient use of land?*

105. Strongly agree: The use of the term “substantial weight”, together with the accompanying clarification beyond the current NPPF, is fully supported, particularly in the context of urban intensification.

Q.117: *Do you agree policy L2 identifies appropriate typologies of development to support intensification?*

106. Partly agree: policy L2 broadly identifies appropriate typologies of development to support intensification, particularly in relation to underutilised land, town centres, and existing built-up areas. These typologies provide a helpful framework for focusing growth in locations that can accommodate higher-density development.

107. However, the policy should be expanded to explicitly include railway arches as a suitable typology for intensification. Railway arches represent a significant and often underutilised opportunity for mixed-use and employment land, particularly in well-connected urban locations. Explicit recognition of railway arches within Policy L2(1b) would support more efficient use of land, encourage investment, and help unlock additional capacity in sustainable locations.

Q.118: *Do you agree the high-level design principles provided in policy L2(d) appropriate for national policy?*

108. Strongly agree: The clarification provided in L2(d) provides greater consistency in policy support and design approach for urban intensification across the country. Of particular note, and further to previous representations submitted by Business LDN on the issue of upwards extensions, we welcome the amendment to the wording contained in current NPPF paragraph 125(e) from “*they should allow upward extensions – including mansard roofs*” to the more flexible wording in L2(1d) that reads “*including, but not limited to, the addition of mansard roofs.*”

Q.119: *Do you agree policy L2 (d)(i) achieves its intent to enable appropriate development that may differ from the existing street scene, particularly in cases such as corner plot redevelopment and upwards extensions?*

109. Strongly agree: This intent is achieved to the extent it applies to upward extensions specifically.

Q.121: Do you agree policy L3 provides clear guidance on achieving appropriate densities for residential and mixed-use schemes?

110. Strongly agree: The clear instructions at L3(2) to support urban intensification are fully supported.

Q.122: Do you agree with the minimum density requirements set out within policy L3?

111. Partly agree: The emphasis placed on the relationship between density and accessibility is welcomed, as is the inclusion of minimum density standards in national policy. This makes clear the Government's minimum expectations. However, in highly accessible urban locations, it will be appropriate, and indeed necessary, for schemes to be far more ambitious and significantly exceed these minimum density standards. The following should be added to the end of L3(3):

“These minimum densities are a baseline expectation. Having regard to part (1), and design and amenity considerations, in some locations these densities should be significantly exceeded in order to optimise the efficient use of appropriate land.”

112. In terms of the definition provided at footnote 45 of the draft new NPPF for “well-connected” stations or stops, this is supported.

Q.123: Do you agree that using dwellings per hectare is an appropriate metric for setting minimum density requirements? Additionally, is our definition of ‘net developable area’ within the NPPF suitable for this policy?

113. Strongly agree: Dwellings per hectare is the most appropriate metric for policy L3.

Q.125: Are there other types of location (such as urban core, or other types of public transport node) where minimum density standards should be set nationally?

114. Spatial development strategies should set minimum density standards for the town centres in their respective area. This term is preferred to urban core because development plans generally identify a hierarchy of centres for their area. Given that centres vary significantly across the country in terms of their level of density and accessibility, this is considered more appropriate and more effective than setting standards nationally.

Q.126: *Should we define a specific range of residential densities for land around stations classified as ‘well-connected’?*

115. This is not considered necessary, provided that our proposed insertion at paragraph 110 above, under Q.122, is incorporated into L3(2) to make the policy clearer on its ambition concerning the optimal use of land.

116. It would be helpful if strategic authorities (or local authorities where they do not exist) were required to publish a list of the stations and stops deemed to be “well connected” in their administrative area. This could be reviewed and updated annually alongside their Housing Delivery calculations.

Chapter 13: Protecting Green Belt land

Q.133: *Do you agree with proposals to better enable development opportunities around suitable stations to be brought forward?*

117. Partly agree: We welcome the improved wording in policy GB3 compared with that of the current NPPF and the new provision in GB3(1a) to review and alter existing Green Belt boundaries through local plan updates to support development around stations. In principle, this aligns with London’s long-standing approach of promoting development and intensification around accessible transport hubs.

118. In the London context, only two national rail stations, Crews Hill and Knockholt, and one underground station, Fairlop, are actually located within the Green Belt. However, in our report [*The Green Belt: A Place for Londoners?*](#), we calculated that around 60% of London’s Green Belt is within 2km of an existing rail or tube station. As such, there is scope for unlocking additional development on Green Belt land within walking distance of suitable stations.

Q.136: *Do you agree policies GB6 and GB7 set out appropriate tests for considering development on Green Belt land?*

119. Strongly agree: We welcome the clarity and proportionality provided by the revised wording in policies GB6 and GB7 for assessing the appropriateness of development on Green Belt land. Clearer and more robust criteria provide greater certainty for decision-making while ensuring that Green Belt protections are appropriately maintained.

Q.137: *Do you agree policy GB7(1h) successfully targets appropriate development types and locations in the Green Belt, including that it applies only to housing and mixed-use development capable of meeting the density requirements in chapter 12?*

120. Partly agree: We welcome the clarification in GB7(1h) targeting housing and mixed-use development that can meet the density requirements in Chapter 12. As noted in our response to Q.133, around 60% of London's Green Belt is within 2km of an existing rail or tube station, so there is genuine scope for unlocking additional development on Green Belt land within walking distance of suitable stations.

121. However, whilst the Government's prioritisation of housing and mixed-use development is understood, it is also important that GB7(1h) does not preclude other forms of development and essential infrastructure, including industrial and logistics uses, where appropriate. policy E3 highlights the need for freight and logistics to be located in well-connected areas, and flexibility should be maintained to ensure such development can continue to support London's economy while respecting the purposes of Green Belt designation.

Q.139: *Do you agree that site-specific viability assessment should be permitted on development proposals subject to the Golden Rules in these three circumstances?*

122. Strongly agree: We agree that site-specific viability assessments should be permitted for development proposals in the Green Belt where they are subject to compliance with the Golden Rules and the three circumstances in GB8(3). Allowing viability testing in these circumstances provides a pragmatic mechanism to ensure schemes remain deliverable while maintaining the policy safeguards intended by the Golden Rules.

Q.141: *Do you agree with setting an affordable housing 'floor' for schemes subject to the Golden Rules accompanied by a viability assessment subject to the terms set out?*

Q.142: *Please explain your answer, including your view on the appropriate approach to setting a 'floor', and the right level for this?*

123. Partly disagree: It is acknowledged that communities must benefit from development on Green Belt land, and we support the introduction of an affordable housing "floor" in circumstances where there is no up-to-date development plan in place. However, care must be taken in setting any fixed national thresholds to be applied to all applications.

124. Fundamentally, viability will vary significantly across different parts of the Green Belt. In any event, where a development comes forward with no or low levels of affordable housing, an LPA can take reasonable steps to refuse the application if it does not accord with national or

development plan policy, without the need for the fixed thresholds in the NPPF as suggested by the consultation document. Depending on the location, strategic or local authorities would retain the ability to set higher thresholds where robust evidence on housing need and viability demonstrates that this is both necessary and deliverable. This balances national consistency with locally evidenced ambition, supporting affordable housing delivery without compromising scheme viability or overall supply.

125. Furthermore, the use of the term “affordable housing floor” in the consultation document is considered confusing and should be replaced with “affordable housing threshold”, a more conventional and widely understood term in planning.

Q.143: Do you agree with local planning authorities testing viability at the plan-making stage using a standardised Benchmark Land Values scenario of 10 times Existing Use Value for greenfield, Green Belt land?

126. Strongly disagree: We do not consider a standardised Benchmark Land Values (BLVs) approach of 10 times Existing Use Value for greenfield or Green Belt land to be appropriate. Land values vary significantly across the country, and a simplistic formula fails to reflect local market conditions, site-specific constraints, or the policy sensitivity of Green Belt sites. Applying a rigid national figure risks distorting viability assessments, making deliverable schemes appear unviable or encouraging unrealistic expectations for affordable housing contributions. Viability testing should remain flexible and grounded in local evidence to ensure schemes can progress without being unnecessarily constrained.

Q.144: Do you have any other comments on the use of nationally standardised Benchmark Land Values for local planning authorities to test viability at the plan-making stage?

127. The introduction of any national standardised approach to BLVs would be overly prescriptive and risks failing to reflect the significant variation in land values and markets across the country, not only between regions, but also within the same sub-market area.

128. A single national benchmark would not properly reflect local market conditions or site-specific constraints. It risks skewing viability assessments at the plan-making stage and undermining deliverability. BLVs should therefore be grounded in locally evidenced land values to ensure realistic and policy-compliant outcomes.

Q.145: *Do you agree that proposed changes to the grey belt definition will improve the operability of the grey belt definition, without undermining the general protections given to other footnote 7 areas?*

129. Strongly agree: The footnote 7 refinement is supported.

Chapter 14: Achieving well-designed places

Q.148: *Do you agree policy DP3 clearly set out principles for development proposals to respond to their context and create well-designed places?*

130. Partly agree: The general approach and key principles for well-designed places set out in DP3(1) are supported. However, we have some concerns regarding the practical application of DP3(2) and DP3(3) in the determination of planning decisions. This is based on our experience in London, where the Greater London Authority (GLA) introduced a London Housing Design Guide as London Plan Guidance. It was intended to provide helpful guidance for applicants in the design of residential accommodation; however, it has become increasingly applied by the boroughs in a rigid, tick-box way and was used to refuse planning applications when applicants could not demonstrate full compliance. This has been a contributory factor in the current housebuilding crisis in London and has had to be addressed through the GLA's recent *Support for Housebuilding* consultation to encourage the boroughs to take a more flexible approach in their application of the design standards.

131. We need to avoid a similar situation arising as a result of the new NPPF policy DP3. The wording of DP3(2) and DP3(3) should therefore be reviewed and tightened to clarify that a development proposal can only be refused based on DP3 and design policies contained in the relevant development plan (DP3(2)). The wording should also be clear that the detail contained within the expansive Design and Placemaking planning practice guidance (PPG) is intended to serve as informative guidance to support applicants and their professional advisers during the design process; it is not to be used to justify a reason for refusal.

132. This is especially pertinent given that parts of the guidance are more applicable to lower-density development outside London than to the high-density typologies more commonly delivered in the capital and other major cities. DP3(3) could address this head-on by making it clear that the exceptional circumstances surrounding the design and viability of high-density urban schemes mean some flexibility will be needed in the application of the Design and Placemaking PPG.

Chapter 15: Promoting sustainable transport

Q.156: *Do you agree the proposed text in policy TR7 provide an effective basis for assessing proposals for marine ports, airports and general aviation facilities?*

133. Strongly agree: The policy approach is supported.

Chapter 16: Promoting healthy communities

Q.162: *Do you agree with the proposed approach to retaining key community facilities and public service infrastructure in policy HC6?*

134. Partly agree: The general approach to retaining community facilities and public service infrastructure is supported; however, the scope of uses listed at HC6(2) should be expanded to include theatres, music venues, and other cultural facilities.

Chapter 17: Pollution, Public Protection and Security

Q.167: *Do you agree with the criteria set out in proposed policy P3 as a basis for securing acceptable living conditions and managing pollution?*

135. Partly disagree: The aims of policy P3 are incredibly important, but the scope of P3 as an NPPF policy is at odds with the objectives of PM13 and DM7. These matters would be more appropriately addressed through the Building Regulations regime rather than through NPPF policy.

Q.168: *Do you agree policy P4 makes sufficiently clear how decision-makers should apply the agent of change principle?*

136. Partly agree: The new wording and additional clarification are welcomed and largely supported. However, we consider that strategic infrastructure operations should also be included in the list of activities at P4(1) as follows:

“P4: Impact of development on existing activities

- 1.** *Existing businesses, community facilities, public services, **strategic infrastructure** and defence and security activities should not have unreasonable restrictions placed on their current or permitted operation as a result of development being approved after they were established.”*

Chapter 19: Conserving and enhancing the natural environment

Q.181: *Do you agree policy N2 sets sufficiently clear expectations for how development proposals should consider and enhance the existing natural characteristics of sites proposed for development?*

137. Partly agree: In general terms, policy N2 is largely supported; however, the requirement for swift bricks at N2(1f) is another example of a matter which should be covered by the Building Regulations regime. Inclusion of swift bricks at N2(1f) contradicts policies PM13 and DM7 and the spirit of the new NPPF, which seeks a planning system that is better aligned with – rather than encroaching into – other regulatory regimes.

Chapter 20: Conserving and enhancing the historic environment

Q.185: *Do you agree the government should implement the additional regard duties under Section 102 of the Levelling-Up and Regeneration Act?*

138. Strongly agree: Implementation of Section 102 to extend the special regard duties to other heritage assets would provide greater clarity and consistency across the heritage regime, which is notoriously complex to navigate.

Q.187: *Do you agree with the approach to plan-making for the historic environment, including the specific requirements for World Heritage Sites and Conservation Areas, set out in policies H1 – H3?*

139. Strongly agree: The draft new NPPF's approach to plan-making policies for the historic environment is supported, particularly the additional and revised wording that seeks to bring a more positive tone to supporting heritage-related development and alignment with other parts of the Framework.

Q.188: *Do you agree with the approach to assessing the effects of development on heritage assets set out in policy H5?*

140. Strongly agree: The wording of HE5 provides greater clarity and practicality compared with the current NPPF wording. The removal of "less than substantial harm" from the defined levels of harm at HE5(2) is welcomed and will facilitate more straightforward assessment.

Q.189: *Do you agree with the approach to considering impacts on designated heritage assets in policy HE6, including the change from "great weight" to "substantial weight", and in particular the interactions between this and the statutory duties?*

141. Strongly agree: Policy HE6 brings a more positive pro-development tone without undermining the proportionate protection of designated heritage assets. The use of "substantial weight" to provide consistency with other parts of the Framework is supported and well explained. Furthermore, we welcome draft policy HE6(3) and the specific references to securing the long-term re-use of a vacant or underused listed building and enabling energy efficiency/low-carbon heating measures as "important public benefits" in weighing any harm to significance against public benefits.

Annex A: Data Centres and onsite energy generation

Q.195: *Do you consider the planning regime, including reforms being delivered through the Planning and Infrastructure Act, provide sufficient flexibility for energy generation projects co-located with data centres to be consented under either the NSIP or TCPA regime?*

142. Strongly agree: Promoters of data centre projects must have the option to choose between the TCPA or NSIP consenting routes to reflect the scale and specific characteristics of each scheme. Some projects may be more appropriately determined locally where strategic issues are limited, while others will benefit from the certainty and coordination provided by the Development Consent Order regime.

143. While the relevance to London is likely to be minimal, as sites co-located with energy generation projects tend to be large-scale and generally unsuitable in the capital, retaining the choice of consenting route is still valuable. It allows developers to bring forward data centre projects where they are most needed, using the most appropriate process for each scheme.

Annex B: Viability: Standardised inputs in viability assessment

Q.200: *Would you support the use of growth testing for strategic, multi-phase schemes?*

144. Strongly disagree: We do not support the proposal to use growth testing for strategic, multi-phase schemes. Whilst the desire to provide upfront clarity on developer contributions is understandable, basing obligations on speculative growth forecasts introduces significant ambiguity and risk to the process. This, in turn, creates uncertainty for landowners and deters investment appetite. Growth testing effectively assumes low developer returns that are not

commensurate with risk, thus increasing the potential for disputes over what is deemed to be “realistic”. Ultimately, this approach could delay agreements and hinder delivery.

145. The appropriate means for capturing any growth on multi-phase schemes remains the review mechanism, which adjusts obligations in line with actual delivery. It is a fair and equitable solution and one that meets the tests of a planning obligation as defined in the current NPPF. Attempting to incorporate large growth components upfront is largely unviable under current market conditions, and historical evidence shows growth assumptions for new-build schemes can be highly unreliable. Forecasting of both costs and values is inherently volatile and creates substantial additional risks for all stakeholders. Imposing growth testing in this way would deter investors and jeopardise the delivery of strategic schemes.

Q.201: *Would you support the optional use of growth testing for regeneration schemes?*

146. Strongly disagree: As set out in our response to Q.200, we do not support growth testing as a matter of principle. Basing upfront obligations on speculative growth forecasts increases uncertainty, risks suppressing developer returns below levels commensurate with risk, and is likely to lead to disputes over assumptions. Growth should instead be addressed through review mechanisms, which respond to actual performance rather than projections.

Q.202: *Do you agree greater specificity, including single figures, which local planning authorities could choose to diverge from where there is evidence for doing so, would improve speed and certainty?*

a) *Please explain your answer. If you agree, the government welcomes views on the appropriate figure – for example, whether 17.5% would be an appropriate reflection of the industry standard for most market-led development.*

147. Strongly agree: The current 15–20 per cent range is adequate and, in most cases, allows an expedient agreement on the appropriate measure depending on the nature of the development (market sale, PBSA, tall buildings, etc.). Development plans could set out, for example, where different fixed points on the range might be appropriate for different uses and types of development. This is for the market-facing element of the scheme only.

Q.203: *Are there any site types, tenures, or development models to which alternative, lower figures to 15-20% of Gross Development Value might reasonably apply?*

a) *Please explain your answer. The government is particularly interested in views on whether clarifying an appropriate profit of 6% on Gross Development Value for affordable housing tenures would make viability assessments more transparent and speed up decision-making.*

148. Viability practice already typically assumes a 6% return on Gross Development Value (GDV) for affordable housing. Combined with the higher return on market homes, this creates a blended rate across the scheme, meaning overall returns reduce as the proportion of affordable housing increases. This approach is well established and widely accepted. Clarifying the 6% assumption in national policy would therefore improve consistency and transparency rather than introduce a material change.

Q.204: *Are there further ways the government can bring greater specificity and certainty over profit expectations across landowners, site promoters and developers such that the system provides for the level of profit necessary for development to proceed, reducing the need for subjective expectations?*

149. Greater specificity could be achieved by development plans being more explicit about appropriate returns for different development typologies. However, any such benchmarks would need to be kept under regular review to reflect changing market conditions and economic cycles, ensuring profit assumptions remain realistic and do not inadvertently constrain delivery.

Q.205: *Existing Viability Planning Practice Guidance refers to developer return in terms a percentage of gross development value. In what ways might the continued use of gross development value be usefully standardised?*

150. A profit on GDV remains appropriate in the majority of cases and is well understood across the sector. It is not a contentious metric. Greater consistency could be achieved by setting clearer expectations at the development plan level, potentially reflecting factors such as scale or typology, while retaining flexibility. As with all viability inputs, any departure from the PPG should require robust justification to maintain transparency and confidence in the process.

Q.206: *Do you agree there are circumstances in which metrics other than profit on gross development value would support more or faster housing delivery, or help to maximise compliance with plan policy?*

151. Partly agree: There are certainly circumstances where alternative metrics are more appropriate. Internal Rate of Return (IRR) is commonly used for large-scale, phased, and capital-intensive schemes and Build to Rent schemes where return is driven by timing, cash flow, and upfront infrastructure costs. In these cases, IRR can provide a more accurate reflection of risk and may, depending on how it is calibrated, support policy compliance.

152. However, the choice of metric should not be viewed as a mechanism to extract additional value. If benchmarks are set at an unduly onerous level, this will deter investment and delay delivery. Unlike profit on GDV, IRR assumptions must be carefully justified by reference to scheme-specific factors, such as grant funding, infrastructure burdens, and delivery timescales, to ensure they remain proportionate and credible.

Q.207: *Are there types of development on which metrics other than profit on gross development value should be routinely accepted as a measure of return e.g. strategic sites large multi-phased schemes, or build to rent schemes?*

153. Yes, there are development types where metrics other than profit on GDV should be routinely accepted. Large, complex, multi-phased schemes, including strategic sites and Build to Rent developments, are often capital- and time-intensive, with returns driven by cash flow, phasing, and upfront infrastructure costs. In these cases, IRR or similar metrics provide a more accurate reflection of financial performance and risk. These alternative metrics should be used alongside, rather than instead of, traditional profit on GDV assessments, with assumptions carefully justified according to scheme-specific factors such as grant funding, infrastructure obligations, and delivery timescales to ensure realistic and proportionate viability assessments.

Q.208: *Do you agree that guidance should be updated to reflect the fact a premium may not be required in all circumstances?*

a) In what circumstances might a premium, or the usual premium, not be required?

b) What impact (if any) would you foresee if this change were made?

154. Partly agree: In principle, guidance could recognise that a premium may not be required in all circumstances; however, it must be carefully worded so that the potential for a zero premium does not lead to excessive requirements being placed on a permission which would have unintended consequences for delivery.

155. For large-scale, complex, phased developments, metrics such as IRR already capture timing, cash flow, and upfront costs, reducing the need for an additional premium. Removing or reducing the default premium in these cases would provide greater flexibility, ensure more accurate viability assessments, and avoid deterring investment, while still supporting compliance with policy.

Q.209: *Do you agree that extant consents should not be assumed to be sufficient proof of alternative use value, unless other provisions relating to set out in plans are met?*

156. Partly disagree: Extant consents can provide sufficient proof of alternative use value, provided they can be practically implemented. Alternative Use Values that are not implementable for any reason should be discounted. Alternative Use Values that have a realistic prospect of gaining planning permission and subsequently being delivered should also be considered. Market conditions, grant availability, and other site-specific factors should be considered to ensure viability assessments remain realistic and transparent.

Q.210: *If extant consents were not to be assumed as sufficient proof of alternative use value, should this be at the discretion of the decision-maker, or should another metric (e.g. period of time since consent granted) be used?*

a) *If another metric, please set out your preferred approach and rationale.*

157. This should be at the discretion of the decision-maker, informed by evidence such as the time elapsed since consent was granted, market changes, or changes to policy and planning guidance. A rigid metric risks misrepresenting the true alternative use value, whereas discretion allows assessments to reflect the specifics of each site.

Q.211: *What further steps should the government take to ensure non-policy compliant schemes are not used to inform the determination of benchmark land values in the viability assessments that underpin plan-making?*

158. To prevent non-policy-compliant schemes from skewing benchmark land values, the Government should ensure only policy-compliant comparables are used. However, as we have previously argued, BLVs are not always the right measure for viability, as they are too rigid and do not allow for site-specific assessment. Guidance should therefore emphasise the need for flexibility and transparent justification when considering any comparables, so that viability assessments can reflect the unique circumstances of each site.

Q.212: *Do you agree that the residual land value of the development proposal should be cross-checked with the residual land values of comparable schemes; to help set the viability assessment in context.*

159. Partly agree: Cross-checking residual land values against comparable schemes can provide a useful health check and help contextualise viability assumptions. However, it can be time-consuming and should not be relied on as the sole form of assessment, as comparables do not always capture site-specific factors such as infrastructure requirements, decontamination,

or build complexity. Any cross-check should therefore complement, rather than replace, a thorough, site-specific viability assessment to ensure the full picture is considered.

Annex C: Reforming Site Thresholds

Q.213: Do you agree that a 2.5 hectare threshold is appropriate?

160. Strongly Agree: We welcome the increase in site threshold to 2.5 hectares, as this allows more mixed-use and commercially led schemes to be captured. The higher threshold also enables a more proportionate approach to different-sized schemes. Depending on the final wording of the new National Scheme of Delegation, it could allow more schemes to be determined under delegated powers, freeing up local authority resources and providing SME developers with greater certainty.

Q.214: Do you agree that a unit threshold of between 10 and 49 units is appropriate?

161. Partly agree: A threshold of between 10 and 49 units will likely be appropriate in most areas. In London and other major cities, this would likely feel quite low given the higher densities and typical building heights that prevail. However, due to the intrinsic link with the new National Scheme of Delegation and other planning policies and secondary legislation, national consistency is critical.

162. Alongside refinement of the application thresholds, we urge a review of the differing definitions of previously developed land (PDL) set out in the NPPF and the Building Safety Levy. The current approach could result in complex brownfield regeneration sites being classified as PDL under the NPPF, but still liable for the full levy, creating an unintended barrier to delivery. Given the importance of brownfield sites in meeting the Government's target of 1.5 million new homes, this creates an unintended outcome in which redevelopment is penalised rather than supported. While we understand the original intention was to provide detailed criteria for assessing eligibility for a tax discount, the prescriptive drafting has produced unintended consequences. A clearer, consistent definition of PDL is urgently needed to avoid discouraging regeneration and ensure policy objectives are met.

Q.217: Do you have any views on whether the current small development exemption should be extended to cover a wider range of sites – indicatively to sites of fewer than 50 dwellings, or fewer than 120 bedspaces in purpose-built student accommodation?

163. We strongly urge that the Building Safety Levy be abolished, given its significant negative impact on the viability of development schemes, which runs counter to the shared understanding of viability challenges highlighted by both the GLA and MHCLG in their

respective Emergency Measures for London consultations. As a minimum, if the levy is retained, the small development exemption should be extended to include all medium-sized schemes across all tenures, including sites of up to 50 units or 120 student bedspaces, to avoid disproportionately affecting deliverability.

Q.218: *If the exemption were to be extended, do you have any views on whether the development of 120 purpose-built student accommodation bedspaces is an appropriate equivalent to a development of 50 dwellings for the purposes of the levy exemption?*

164. As noted in our response to Q.217, we continue to believe the Building Safety Levy should be abolished due to its considerable impact on viability. On the proposed methodology, we submit that this should be adjusted so that 125 PBSA bedspaces equate to 50 dwellings, as it is conventional practice to count 2.5 PBSA rooms as equivalent to one C3 dwelling.

Q.219: *If the exemption were to be extended, do you have any views on whether the exemption should be based solely on the existing metrics (dwellings/bedspaces) or whether there should also be an area threshold.*

165. As with previous responses, we continue to advocate for the Building Safety Levy to be abolished due to its significant impact on scheme viability. If the exemption is retained, using the existing metrics of dwellings and bedspaces is a reasonable approach, particularly in London, where higher-density development means housing numbers remain a meaningful and practical measure. Introducing an additional area threshold could complicate implementation without materially improving the assessment.